



4310-VH-P

DEPARTMENT OF THE INTERIOR

Bureau of Safety and Environmental Enforcement (BSEE)

[Docket ID BSEE-2012-0018; OMB Control Number 1014-0002]

Information Collection Activities: Oil and Gas Production Measurement, Surface Commingling, and Security; Proposed Collection; Comment Request

ACTION: 60-day Notice.

SUMMARY: To comply with the Paperwork Reduction Act of 1995 (PRA), BSEE is inviting comments on a collection of information that we will submit to the Office of Management and Budget (OMB) for review and approval. The information collection request (ICR) concerns a renewal to the paperwork requirements in the regulations under Subpart L, *Oil and Gas Production Measurement, Surface Commingling, and Security*.

DATE: You must submit comments by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments by either of the following methods listed below.

- Electronically: go to <http://www.regulations.gov>. In the entry titled *Enter Keyword or ID*, enter BSEE-2012-0018 then click search. Follow the instructions to submit public comments and view all related materials. We will post all comments.
- Email nicole.mason@bsee.gov. Mail or hand-carry comments to the Department of the Interior; BSEE; Regulations and Standards Branch; ATTN: Nicole Mason; 381 Elden Street, HE 3313; Herndon, Virginia 20170-4817. Please reference ICR 1014-0002 in your comment and include your name and return address.

FOR FURTHER INFORMATION CONTACT: Nicole Mason, Regulations and Standards Branch at (703) 787-1605 to request additional information about this ICR.

SUPPLEMENTARY INFORMATION:

Title: 30 CFR Part 250, subpart L, Oil and Gas Production Measurement, Surface Commingling, and Security.

OMB Control Number: 1014-0002.

Abstract: The Outer Continental Shelf (OCS) Lands Act, as amended (43 U.S.C. 1331 *et seq.* and 43 U.S.C. 1801 *et seq.*), authorizes the Secretary of the Interior (Secretary) to prescribe rules and regulations necessary for the administration of the leasing provisions of the Act related to the mineral resources on the OCS. Such rules and regulations will apply to all operations conducted under a lease. Operations on the OCS must preserve, protect, and develop oil and natural gas resources in a manner that is consistent with the need to make such resources available to meet the Nation's energy needs as rapidly as possible; to balance orderly energy resource development with protection of human, marine, and coastal environments; to ensure the public a fair and equitable return on the resources of the OCS; and to preserve and maintain free enterprise competition.

The Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701, *et seq.*) at section 1712(b)(2) prescribes that an operator will “develop and comply with such minimum site security measures as the Secretary deems appropriate, to protect oil or gas produced or stored on a lease site or on the Outer Continental Shelf from theft.”

The Independent Offices Appropriations Act (31 U.S.C. 9701), the Omnibus Appropriations Bill (Pub. L. 104-133, 110 Stat. 1321, April 26, 1996), and OMB Circular A-25, authorize Federal agencies to recover the full cost of services that confer special

benefits. Under the Department of the Interior's (DOI) implementing policy, BSEE is required to charge fees for services that provide special benefits or privileges to an identifiable non-Federal recipient above and beyond those which accrue to the public at large. Applications for surface commingling and measurement applications are subject to cost recovery and BSEE regulations specify service fees for these requests.

Regulations at 30 CFR Part 250, subpart L, implement these statutory requirements. We use the information to ensure that the volumes of hydrocarbons produced are measured accurately, and royalties are paid on the proper volumes. Specifically, we need the information to:

- Determine if measurement equipment is properly installed, provides accurate measurement of production on which royalty is due, and is operating properly;
- Obtain rates of production data in allocating the volumes of production measured at royalty sales meters, which can be examined during field inspections;
- Ascertain if all removals of oil and condensate from the lease are reported;
- Determine the amount of oil that was shipped when measurements are taken by gauging the tanks rather than being measured by a meter;
- Ensure that the sales location is secure and production cannot be removed without the volumes being recorded; and
- Review proving reports to verify that data on run tickets are calculated and reported accurately.

We will protect information from respondents considered proprietary under the Freedom of Information Act (5 U.S.C. 552) and its implementing regulations (43 CFR part 2), and under regulations at 30 CFR 250.197, *Data and information to be made*

available to the public or for limited inspection. No items of a sensitive nature are collected. Responses are mandatory.

Frequency: Varies by section, but primarily monthly, or on occasion.

Description of Respondents: Potential respondents comprise Federal oil, gas and sulphur lessees and/or operators.

Estimated Reporting and Recordkeeping Hour Burden: The currently approved annual reporting burden for this collection is a total of 32,957 hours. The following chart details the individual components and estimated hour burdens. In calculating the burdens, we assumed that respondents perform certain requirements in the normal course of their activities. We consider these to be usual and customary and took that into account in estimating the burden.

Citation 30 CFR Part 250 subpart L	Reporting or Recordkeeping Requirement	Hour Burden
		Non-Hour Cost Burdens
Liquid Hydrocarbon Measurement		
1202(a)(1), (b)(1); 1203(b)(1); 1204(a)(1)	Submit application for liquid hydrocarbon or gas measurement procedures or changes; or for commingling of production or changes.	24.5
Simple		\$1,271 simple fee
Complex		\$3,760 complex
No fee	Submit meter status and replacement notifications.	5
1202(a)(4)	Copy & send pipeline (retrograde) condensate volumes upon request.	1.2
1202(c)(1), (2); 1202(e)(4); 1202(h)(1), (2), (3), (4); 1202(i)(1)(i v), (2)(iii); 1202(j)	Record observed data, correction factors & net standard volume on royalty meter and tank run tickets. Record master meter calibration runs. Record mechanical-displacement prover, master meter, or tank prover proof runs. Record liquid hydrocarbon royalty meter malfunction and repair or adjustment on proving report; record unregistered production on run ticket. List Cpl and Ctl factors on run tickets.	Respondents record these items as part of normal business records & practices to verify accuracy of production measured for sale purposes.
1202(c)(4)*	Copy & send all liquid hydrocarbon run tickets monthly.	10 minutes
1202(d)(4); 1204(b)(1)	Request approval for proving on a schedule other than monthly; request approval for well testing on a schedule other than every 60 days.	2

Citation 30 CFR Part 250 subpart L	Reporting or Recordkeeping Requirement	Hour Burden
		Non-Hour Cost Burdens
1202(d)(5)*	Copy & submit liquid hydrocarbon royalty meter proving reports monthly & request waiver as needed.	15 minutes
1202(f)(2)*	Copy & submit mechanical-displacement prover & tank prover calibration reports.	16.5 minutes
1202(l)(2)*	Copy & submit royalty tank calibration charts before using for royalty measurement.	45 minutes
1202(l)(3)*	Copy & submit inventory tank calibration charts upon request; retain charts for as long as tanks are in use.	45 minutes 10 minutes
Gas Measurement		
1203(b)(6), (8), (9)*	Copy & submit gas quality and volume statements monthly or as requested (most will be routine; few will take longer).	15 minutes 36 minutes
1203(c)(1)	Request approval for proving on a schedule other than monthly.	1.2
1203(c)(4)*	Copy & submit gas meter calibration reports upon request; retain for 2 years.	13 minutes 7.5 minutes
1203(e)(1)*	Copy & submit gas processing plant records upon request.	1.2
1203(f)(5)	Copy & submit measuring records of gas lost or used on lease upon request.	42 minutes
Surface Commingling		
1204(a)(2)	Provide state production volumetric and/or fractional analysis data upon request.	6
1205(a)(2)	Post signs at royalty or inventory tank used in royalty determination process.	2
1205(a)(4)	Report security problems (telephone).	18 minutes
Miscellaneous and Recordkeeping		
1200 thru 1205	General departure and alternative compliance requests not specifically covered elsewhere in subpart L.	1.3
1202(e)(6)	Retain master meter calibration reports for 2 years.	23 minutes
1202(k)(5)	Retain liquid hydrocarbon allocation meter proving reports for 2 years.	10 minutes
1203(f)(4)	Document & retain measurement records on gas lost or used on lease for 2 years at field location and minimum 7 years at location of respondent's choice.	15 minutes
1204(b)(3)	Retain well test data for 2 years.	6.7 minutes
1205(b)(3), (4)	Retain seal number lists for 2 years..	5 minutes

*Respondents gather this information as part of their normal business practices. The BSEE only requires copies of readily available documents. There is no burden for testing, meter reading, etc.

Estimated Reporting and Recordkeeping Non-Hour Cost Burden: We have identified two non-hour cost burdens, both of which are cost recovery fees. Note that the actual fee amounts are specified in 30 CFR 250.125, which provide a consolidated table of all the fees required under the 30 CFR 250 regulations. The currently approved non-

hour cost burden total in this collection of information is an estimated \$600,065. The cost burdens are for: (1) filing fees associated with submitting requests for approval of simple applications (applications to temporarily reroute production (for a duration not to exceed 6 months); production tests prior to pipeline construction; departures related to meter proving, well testing, or sampling frequency (\$1,271 per application)) or, (2) submitting a request for approval of a complex application (creation of new facility measurement points (FMPs); association of leases or units with existing FMPs; inclusion of production from additional structures; meter updates which add buyback gas meters or pigging meters; other applications which request deviations from the approved allocation procedures (\$3,760 per application)).

Public Disclosure Statement: The PRA (44 U.S.C. 3501, *et seq.*) provides that an agency may not conduct or sponsor a collection of information unless it displays a currently valid OMB control number. Until OMB approves a collection of information, you are not obligated to respond.

Comments: Before submitting an ICR to OMB, PRA section 3506(c)(2)(A) requires each agency “. . . to provide notice . . . and otherwise consult with members of the public and affected agencies concerning each proposed collection of information . . .”.

Agencies must specifically solicit comments to: (a) evaluate whether the collection is necessary or useful; (b) evaluate the accuracy of the burden of the proposed collection of information; (c) enhance the quality, usefulness, and clarity of the information to be collected; and (d) minimize the burden on the respondents, including the use of technology.

Agencies must also estimate the non-hour paperwork cost burdens to respondents or recordkeepers resulting from the collection of information. Therefore, if you have other than hour burden costs to generate, maintain, and disclose this information, you should comment and provide your total capital and startup cost components or annual operation, maintenance, and purchase of service components. For further information on this burden, refer to 5 CFR 1320.3(b)(1) and (2), or contact the Bureau representative listed previously in this notice.

We will summarize written responses to this notice and address them in our submission for OMB approval. As a result of your comments, we will make any necessary adjustments to the burden in our submission to OMB.

Public Comment Procedures: Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Acting BSEE Information Collection Clearance Officer: Cheryl Blundon (703) 787-1607.

November 6, 2012
Dated.

Robert W. Middleton, Deputy Chief
Office of Offshore Regulatory Programs.

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